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RUEHGZ/AMCONSUL GUANGZHOU 8917
RUEHHK/AMCONSUL HONG KONG 5775
RUESLE/AMCONSUL SHANGHAI 8318
RUEHSH/AMCONSUL SHENYANG 4928
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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000242

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SUBJECT: CABINET AND PRESIDENTIAL OFFICE POLITICAL PERSONNEL CHANGES

REF: A. TAIPEI 221

- 1B. TAIPEI 197
- 1C. TAIPEI 190
- 1D. TAIPEI 159

Classified By: AIT Director Douglas Paal, Reasons: 1.4 (B/D)

11. (SBU) Premier-designate Su Tseng-chang and his new cabinet will take office on January 25, following the formal resignation of Premier Frank Hsieh and his entire cabinet on January 23. The presidential office and Su Tseng-chang have announced through the media all of the major new appointments to the new cabinet and to the presidential office. Para 2 provides information on new appointments in the presidential office leadership and paras 3-5 provides information on select cabinet appointments of particular political interest.

Presidential Office

12. (C) New Presidential Office Appointments:

-- Secretary General Mark Chen (Tang-shan), moves over from Foreign Minister (2004-2006), filling the vacancy left by Yu Shyi-kun, who was elected Democratic Progressive Party (DPP) chairman. Mark Chen is strongly pro-independence and caused a flap in 2004 by using crude language to insult Singapore after Singapore's Foreign Minister stated to the UNGA that actions by Taiwan independence groups could lead to war with China. Mark Chen's appointment came late as President Chen offered the post several times to outgoing Premier Frank Hsieh (Chang-ting).

-- Deputy Secretary General Cho Jung-tai, moves over from Executive Yuan (EY) Secretary General (2005-2006). Cho previously served as presidential office deputy secretary general (2004-2005) and the invitation to return to his former office is viewed as a gesture to Hsieh and his supporters. Cho fills the vacancy created by James Huang's departure to become Foreign Minister. Because of seniority considerations, Cho will become the senior deputy secretary general, and Ma Yung-cheng will be demoted to second deputy secretary general.

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The Cabinet

13. (C) Cabinet Leadership:

-- Vice Premier Tsai Ing-wen, currently a DPP Proportional Representation Legislator (2005-2006), replaces Wu Rong-i (See refs A-B).

-- EY Secretary General Liu Yu-shan, currently Deputy EY secretary general, the top civil servant in Taiwan's

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bureaucracy, replaces Cho Jung-tai, who moves over to presidential office secretary general. Liu has long experience in coordinating EY-LY working relations.

14. (C) Foreign Affairs, Defense, and Cross-Strait Affairs:

-- Foreign Minister James Huang (Chih-fang), currently a presidential office deputy secretary general (2004-2006), replaces Mark Chen, who becomes presidential office secretary general. Huang, age 48, began his professional career as an MFA foreign service officer, was subsequently assigned to the Mainland Affairs Council (MAC), and then entered the presidential office with support from Tsai Ing-wen. Huang has been successful in arranging overseas visits for President Chen, including his visit last year to the United Arab Emirates. There have been complaints from within and outside the MFA that this position should have been given to someone with more seniority and experience.

-- Political Vice Foreign Minister Michael Kau (Ying-mao) (no change). There were originally indications that Kau would be reassigned and his position filled by NSC senior counselor Lin Cheng-wei. Kau may be staying to maintain continuity in

TAIPEI 00000242 002 OF 003

MFA leadership for a short period to help quell the reaction to Huang's youth.

-- Defense Minister Lee Jye (no change). Some had expected Lee to be replaced, perhaps by Taiwan's first civilian defense minister.

-- Vice Defense Minister (Policy) Henry Ko (Cheng-heng) moves over from National Security Council Deputy Secretary General, replacing Michael Tsai (Ming-hsien). Although not announced, Tsai is expected to fill Ko's position at the NSC.

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-- Mainland Affairs Council (MAC) Chair Joseph Wu (Chao-hsieh) (no change). The opposition-controlled LY has frozen half of the MAC budget to show displeasure at the lack of progress on further opening of cross-Strait links. MAC deputy directors also remain unchanged.

15. (C) Other Appointments of Political Interest:

-- Interior Minister Lee Yi-yang, currently DPP secretary general (2005-2006). Lee has been close to President Chen for many years and he was Su Tseng-chang's deputy at DPP headquarters. Lee was Political Vice Interior Minister from 2000 to 2002. Lee replaces Su Chia-chuan, who becomes Chairman of the Agriculture Council.

-- Political Vice Interior Minister Yen Wan-chin, currently deputy secretary general of the DPP (2005-2006), where he has served under Lee Yi-yang.

-- Education Minister Tu Cheng-sheng (no change). Tu was retained despite being voted second most unpopular cabinet member by the LY in a poll conducted by "The Journalist,"

Taiwan's leading political weekly. Faulted both for problems in Taiwan's education reforms and for his strong Taiwan independence ideology, Tu's retention is viewed as a sop to the independence fundamentalist wing of the DPP.

-- Agriculture Council Chairman Su Chia-chuan, currently Interior Minister (2004-2006). Su originally planned to leave the cabinet and compete for the DPP nomination for mayor of Kaohsiung but was prevailed upon to drop out of the Kaohsiung race in favor of former Labor Affairs Council Chair Chen Chu, who hopes to be the DPP candidate in the election at the end of 2006.

-- Government Information Office (GIO) Director General Cheng Wen-tsan, moves over from DPP spokesman. Cheng is smooth and experienced in dealing with the media. He is expected to be significantly less controversial than his predecessor Yao Wen-chih, who made number one on the LY unpopularity list published by "The Journalist." The GIO is surrendering considerable authority to the new National Communications Commission.

Comment

¶6. (C) The new cabinet and presidential office political lineup appears somewhat better attuned than the previous one to try to carry out President Chen's policies and wishes, though they will face the same type of difficulties in dealing with the opposition-controlled LY. Although overall about forty percent of cabinet members have been changed, almost all changes in the political sphere involve personnel recycling. Virtually all new senior political appointments are transfers from other positions within the cabinet, DPP party headquarters, or presidential office. The new cabinet and presidential office staffing maintains the existing balance between competing interests within the DPP, which DPP leaders view as essential to keep the party united. The two independence stalwarts from the previous cabinet are still in high positions, Tu Cheng-sheng staying on as Education Minister and Mark Chen transferring from Foreign Minister to Presidential Office Secretary General. President Chen has also made an effort to mollify Frank Hsieh and his supporters by offering Hsieh another senior position and by bringing Hsieh-supporter Cho Jung-tai back to the presidential office,

TAIPEI 00000242 003 OF 003

where he previously served. Opposition Kuomintang (KMT) legislators are in no mood for a honeymoon period with the new cabinet and they even held a press conference to attack the new cabinet before it takes office. The confrontational tone and tough policy line in President Chen's New Year address will make it that much more difficult for the new cabinet to gain pan-Blue cooperation in the LY, and Su Tseng-chang will face a stiff test of his well-regarded

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political skills, developed in over six years as Taipei County magistrate working with overwhelmingly Blue local mayors and county councils.

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